

# Houston Economy Update

Patrick Jankowski



GREATER HOUSTON  
**PARTNERSHIP.**

Making Houston Greater.



# GREATER HOUSTON **PARTNERSHIP** 2016 SPRING **IMPACT** REPORT

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## 2016 Spring Impact Report

Learn more about the Partnership's impact on the region

## Municipal Finance Opinion Piece

By Marc Watts

## Export Plan Aims to Spur Economic Growth

Increase Number of Local Firms that Export, Create Jobs

### NEWS AND PRESS RELEASES

- International Trade Council discusses commercial diplomacy and the ITA's Advocacy Center
- Rice University Professor Mark Jones Provides Insight into 2016 Election at May 17 Politics Council
- Houston Health Care Council Features Dr. Jennifer Herricks
- Houston Education Council Features Early Education Advocate, Dr. Bob Sanborn

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### UPCOMING EVENTS

- 06/21 Education Council
- 06/23 WBA Lunch and Learn: Stand Up, Speak Out
- 06/23 Member Orientation Meeting
- 06/28 Healthcare Council

[View all Events](#)

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Have questions on how to  
**GET INVOLVED**

Contact  
[member.engagement@houston.org](mailto:member.engagement@houston.org)

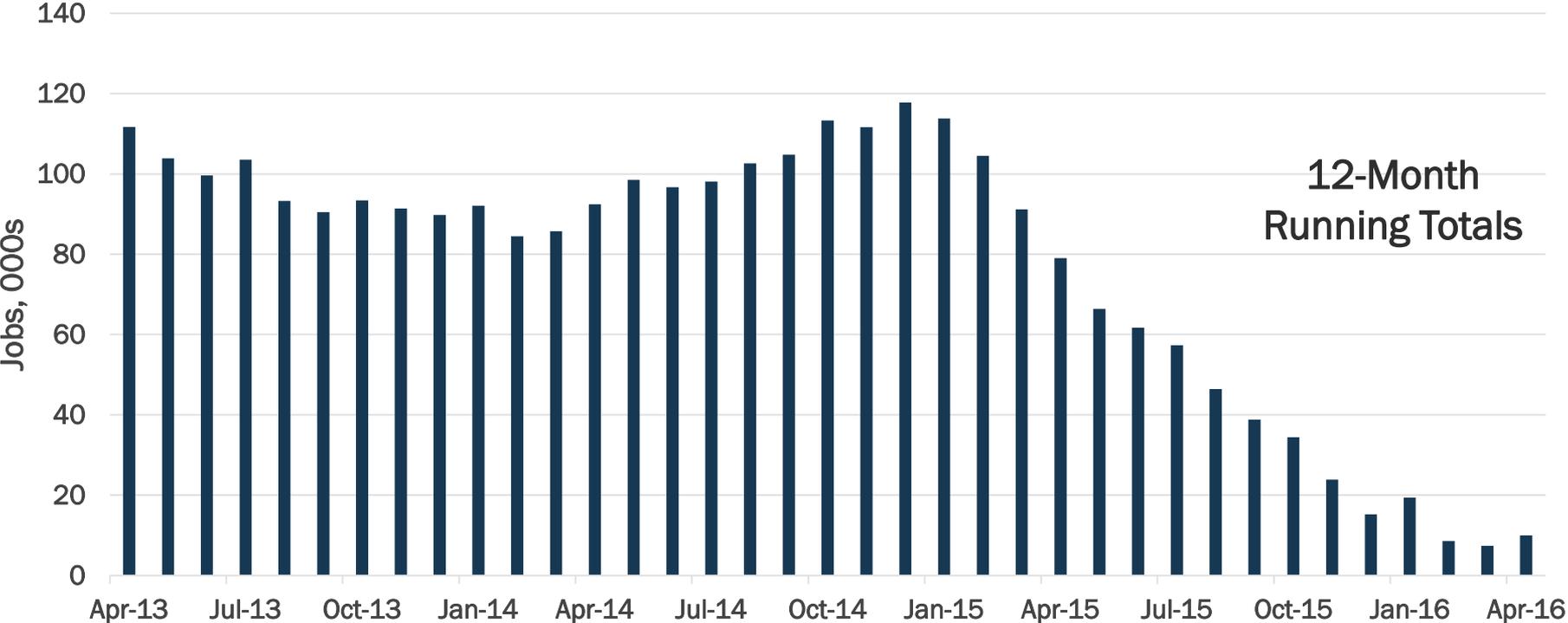
## MAKING HOUSTON GREATER



# No Sugar Coating the Truth



# Employment, Net Change



Source: Texas Workforce Commission

## Biggest Winners and Losers

Winners	Gains
Hotels, Restaurants, Bars	+25,300
Health Care	+18,200
Government	+9,200
Construction	+8,100
Services to Buildings	+6,100
Arts, Entertainment, Rec	+4,300
Food Stores	+3,800

Losers	Losses
Manufacturing	-30,200
Mining and Logging	-23,800
Engineering Services	-9,700
Employment Services	-7,900
Transport, Warehousing, Utilities	-5,400
Wholesale Trade	-3,800
Banks, Credit Unions	-1,100

Source: Texas Workforce Commission

# Job Gains And Losses Since Dec '14

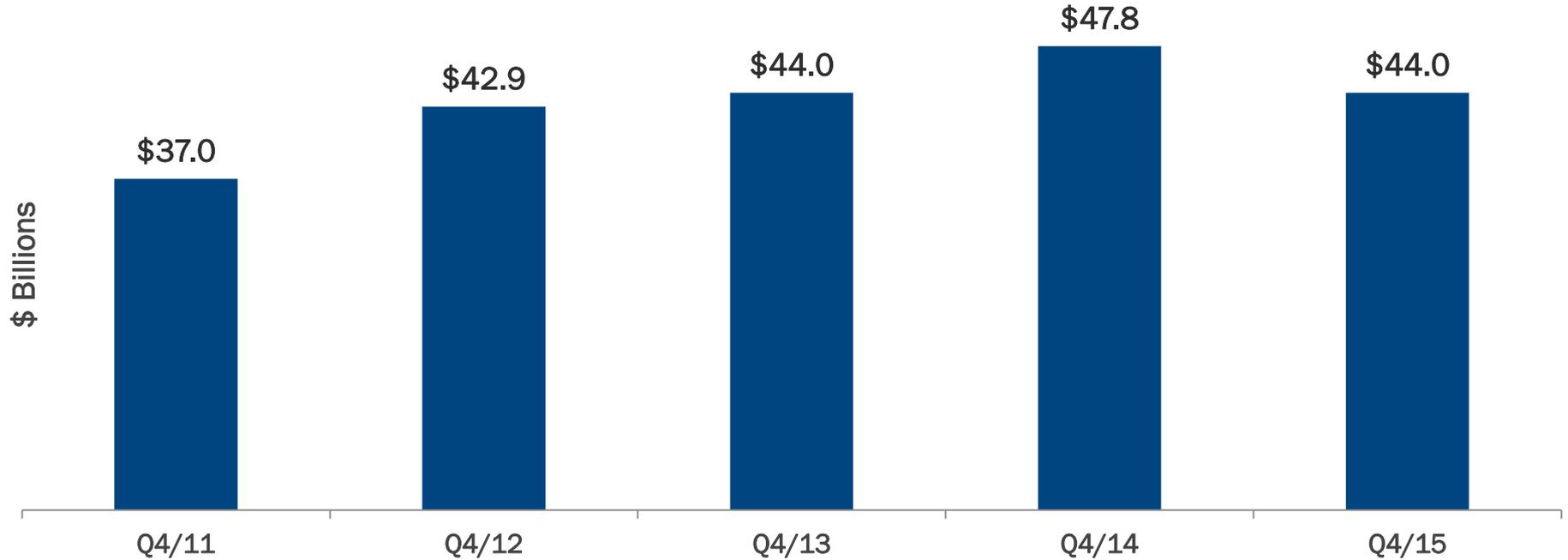
## Biggest Winners and Losers – Average Annual Wage

Winners	\$ Wages
Hotels, Restaurants, Bars	\$19,760
Health Care	52,936
Government	65,052
Construction	68,744
Services to Buildings	27,612
Arts, Entertainment, Rec	36,192
Food Stores	26,468

Losers	\$ Wages
Manufacturing	\$75,816
Mining and Logging	151,840
Engineering Services	126,256
Employment Services	48,516
Transport, Warehousing, Utilities	69,940
Wholesale Trade	78,520
Banks, Credit Unions	74,048

Source: Texas Workforce Commission

# Total Wages Paid – Q4 '11-'15



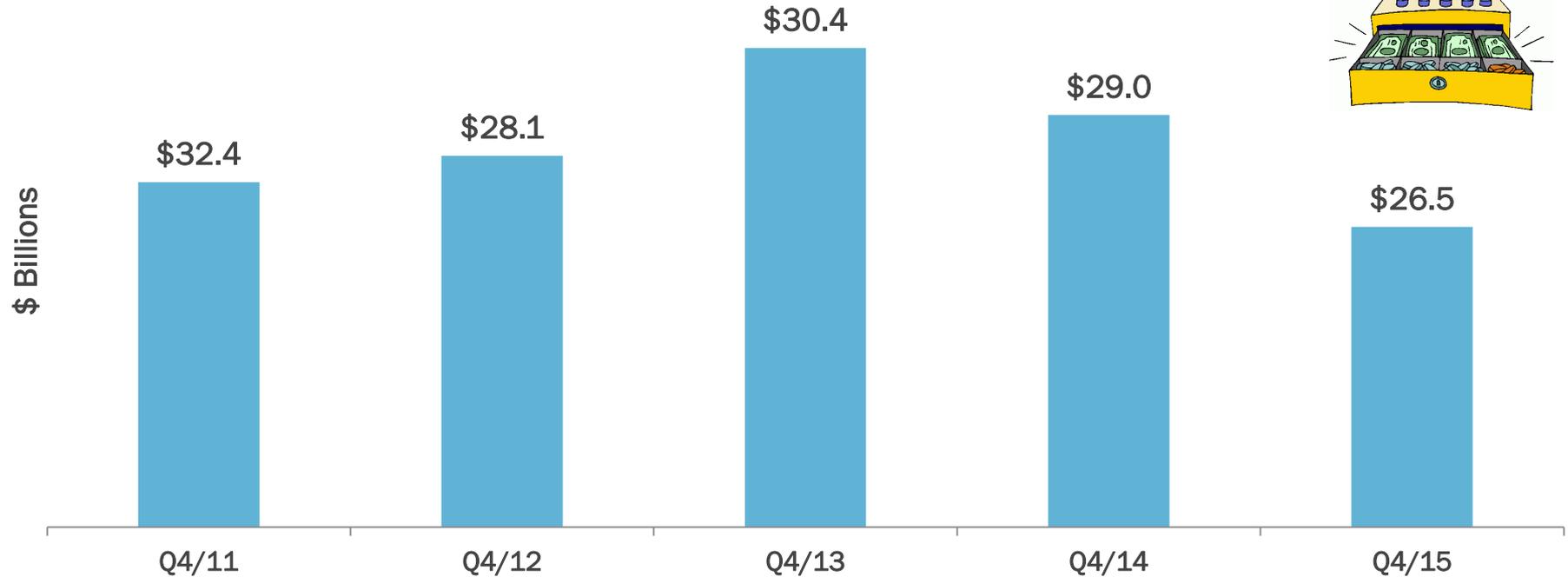
Source: Texas Workforce Commission

\* '15 Constant Dollars

# Ripples and Waves



# Total Retail Sales w/o Gas – Q4 '11-'15

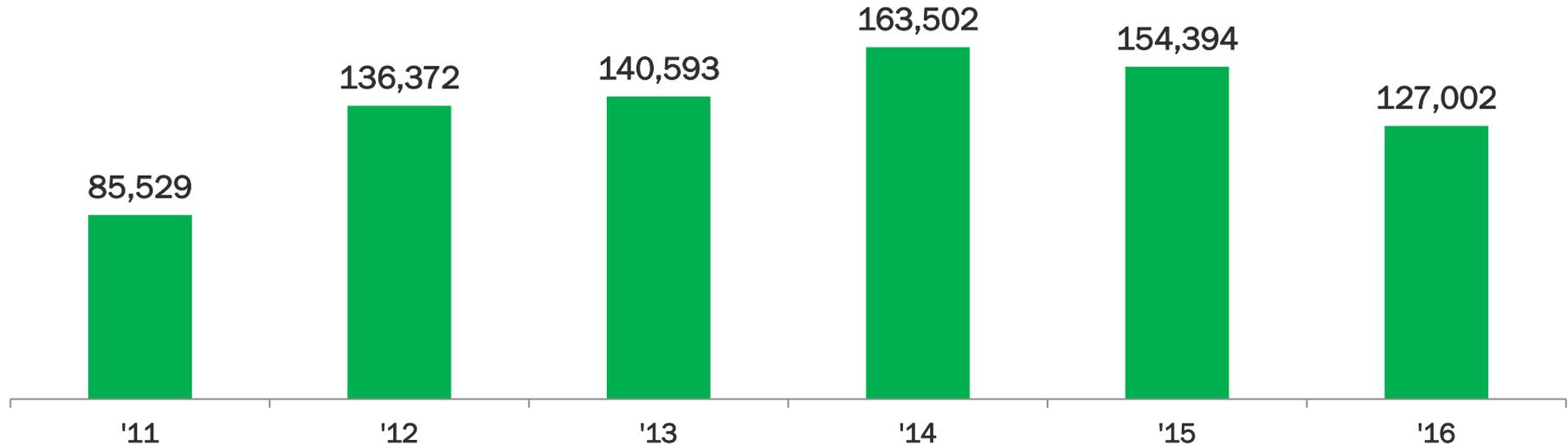


Source: Texas Comptroller of Public Accounts

\* '15 Constant Dollars

# Vehicles Sold, Houston-Area Dealers

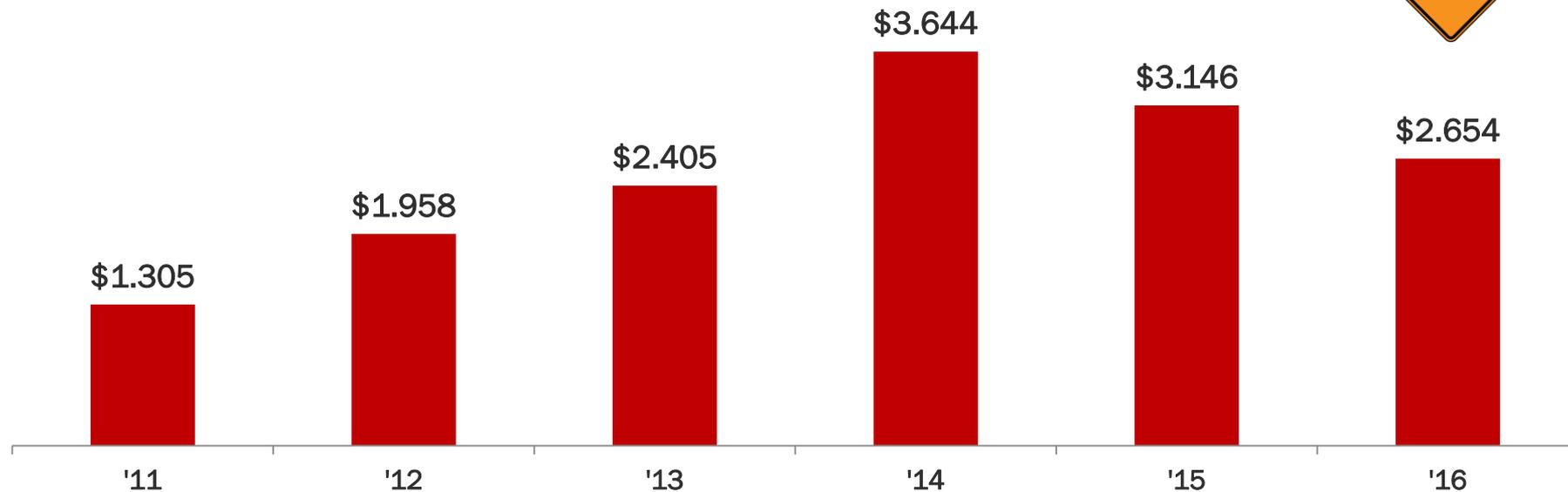
## Year-To-Date May



Source: TexAuto Facts, InfoNation

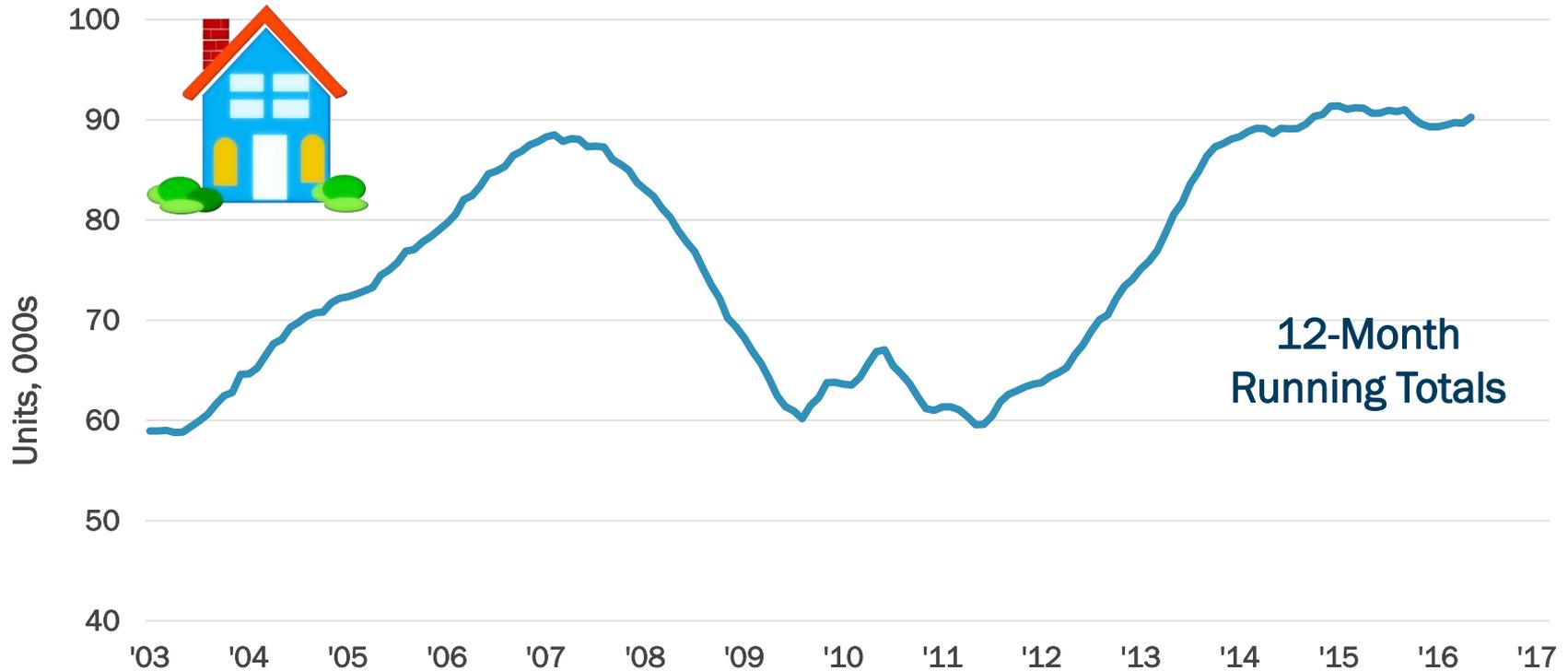
# City of Houston Building Permits

## Year-To-Date May, Billions



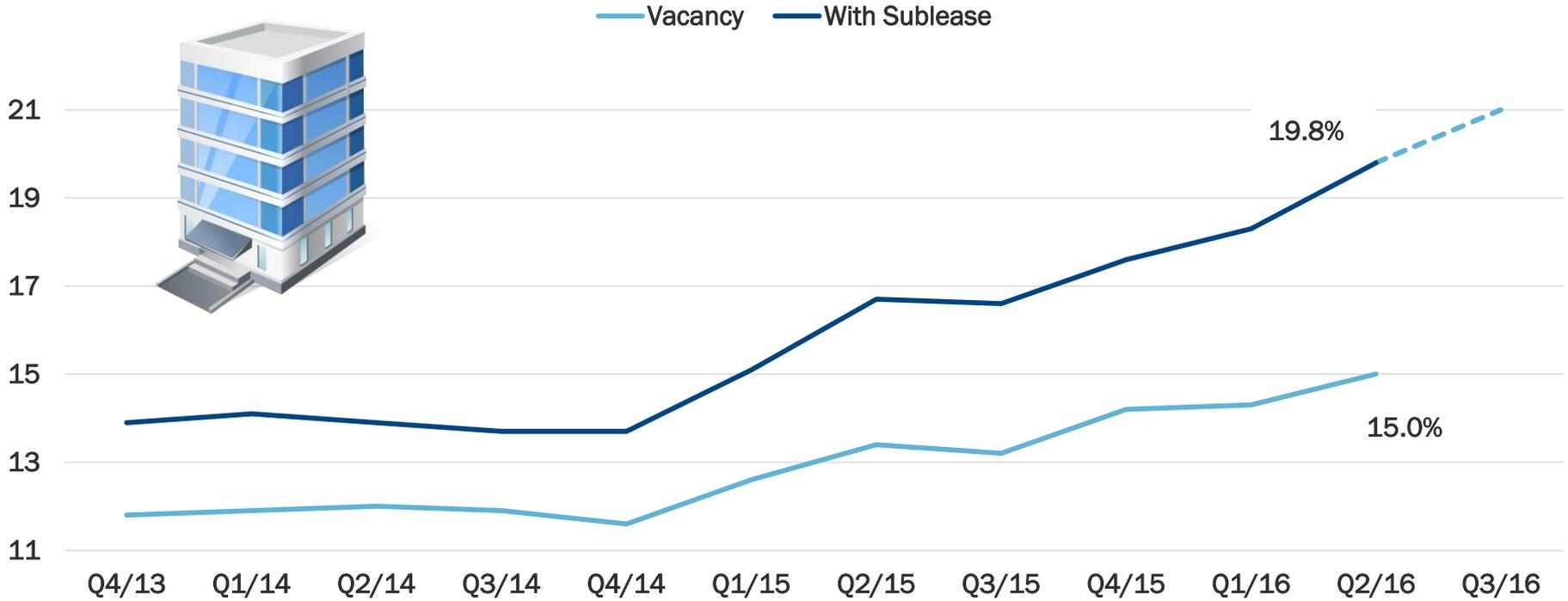
Source: City of Houston

# Home Sales



Source: Houston Association of Realtors

# Office Vacancy Rates



Source: CBRE Research, Q1 2016.

# Class A Apartments

Date	Units	Avg. Rent	Rent/Sq. Ft.	Occupancy
June '14	109,856	\$1,483	\$1.56	83.3%
June '16	145,384	\$1,454	\$1.53	78.4%
Change	35,528	-\$29.0	-\$0.03	-4.9%

Source: Apartment Data Services

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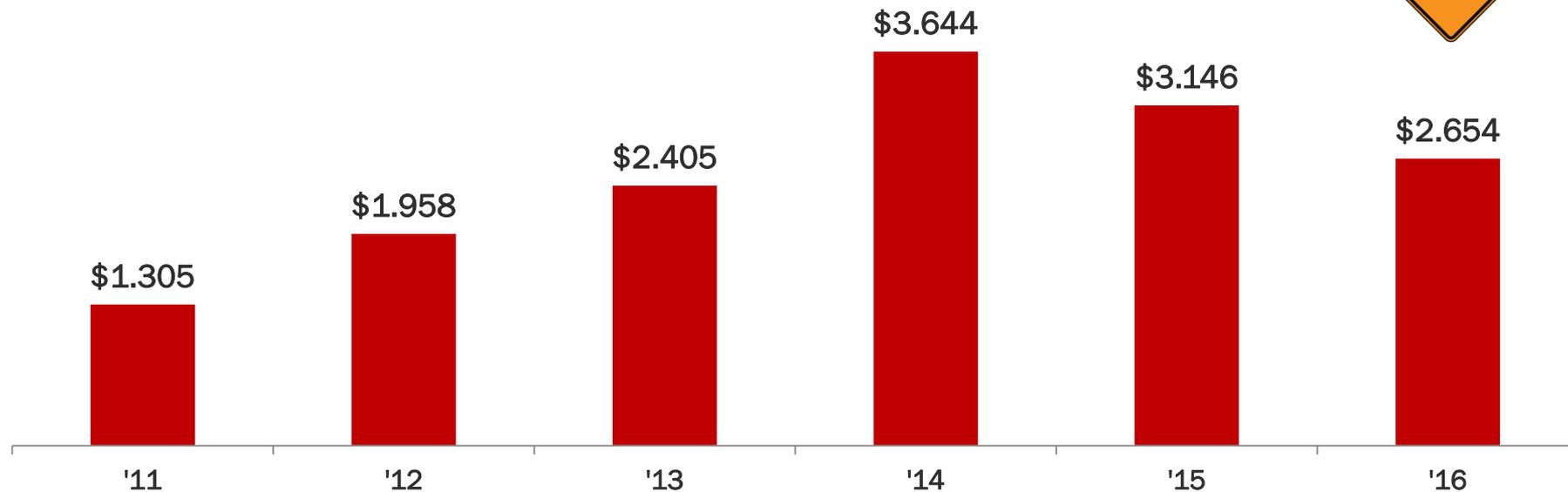
Units absorbed past 12 months = 8,500 (approx.)

Units under construction = 18,170, equals 12.5% of current class A market

Source: Apartment Data Services

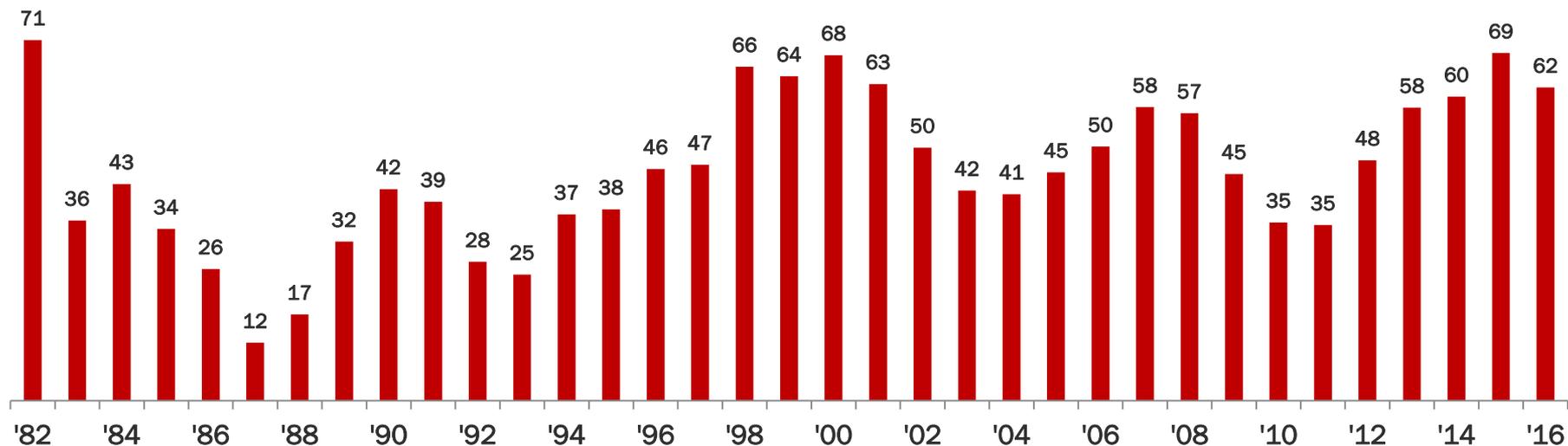
# City of Houston Building Permits

## Year-To-Date May, Billions



Source: City of Houston

## Percent Rating Job Opportunities as “Good” or “Excellent”

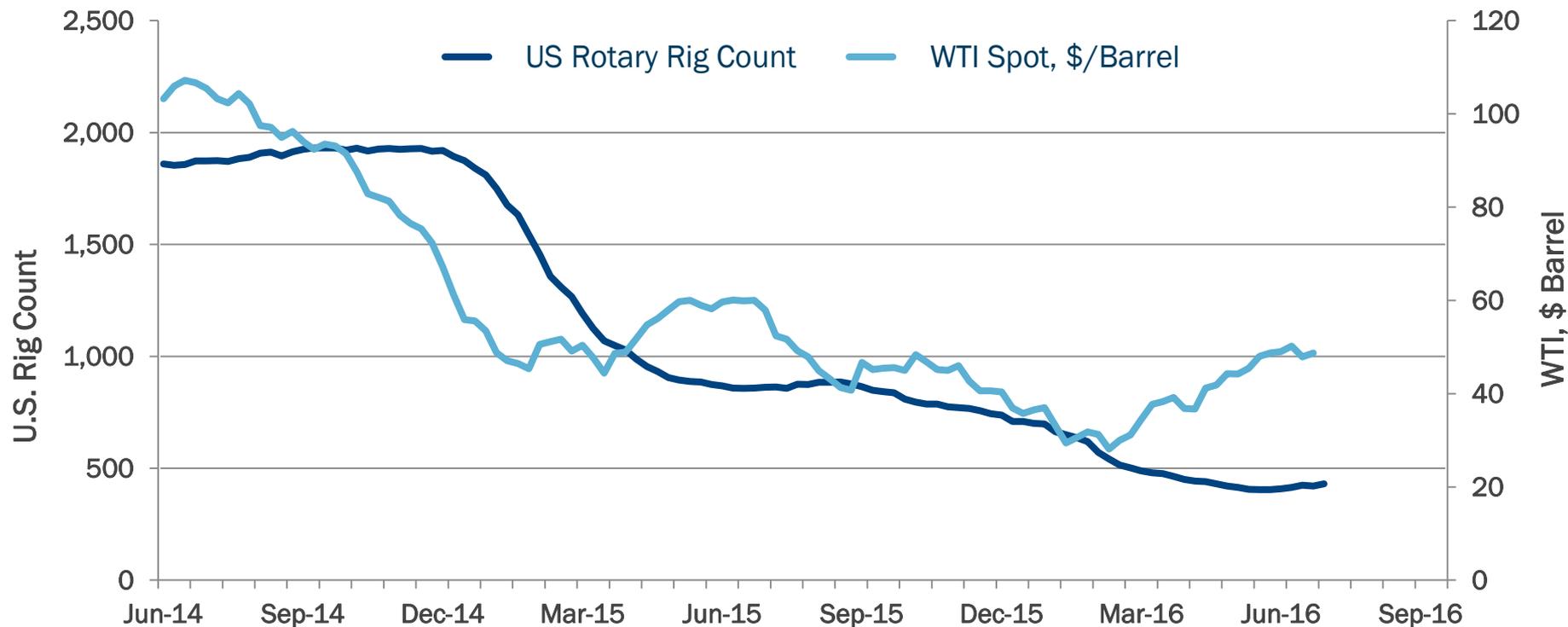


Source: Kinder Houston Area Survey

We may be at a  
turning point.

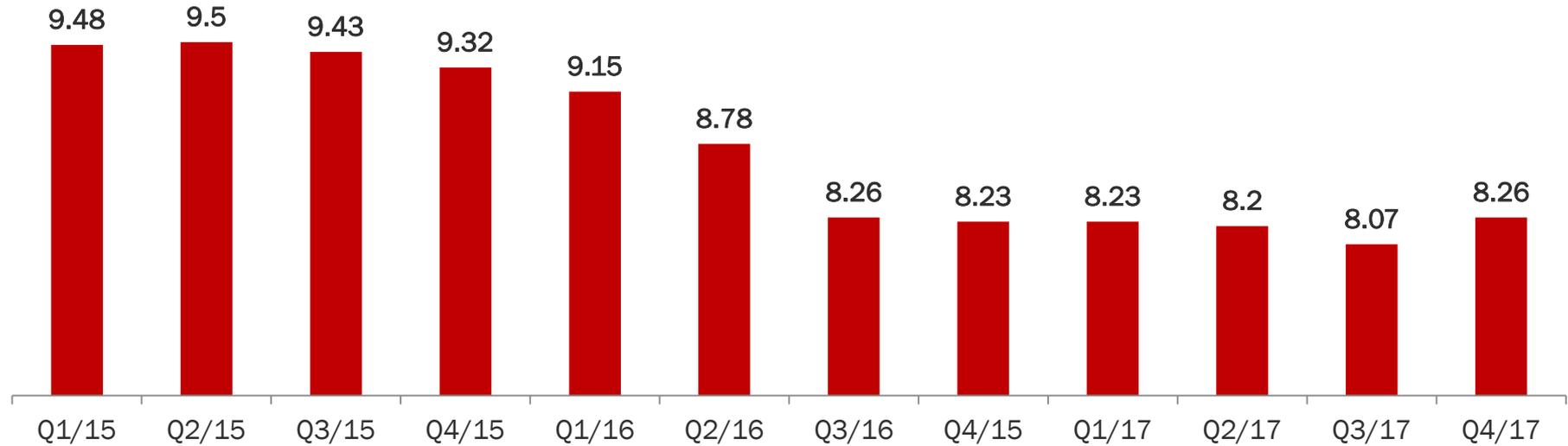


# U.S. Rig Count & NYMEX WTI Spot Price



Source: Baker Hughes & U.S. Energy Information Administration

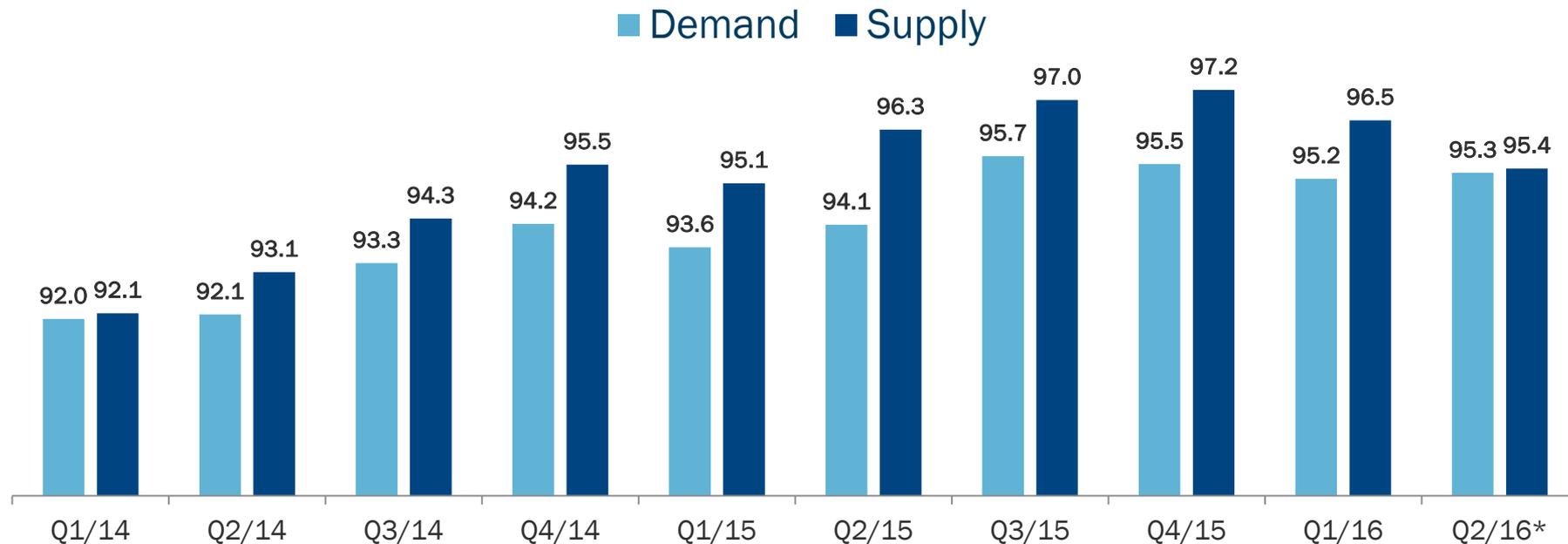
## Million Barrels Per Day



Source: U.S. Energy Information Administration

# Global Oil Demand & Supply

## Million Barrels Per Day

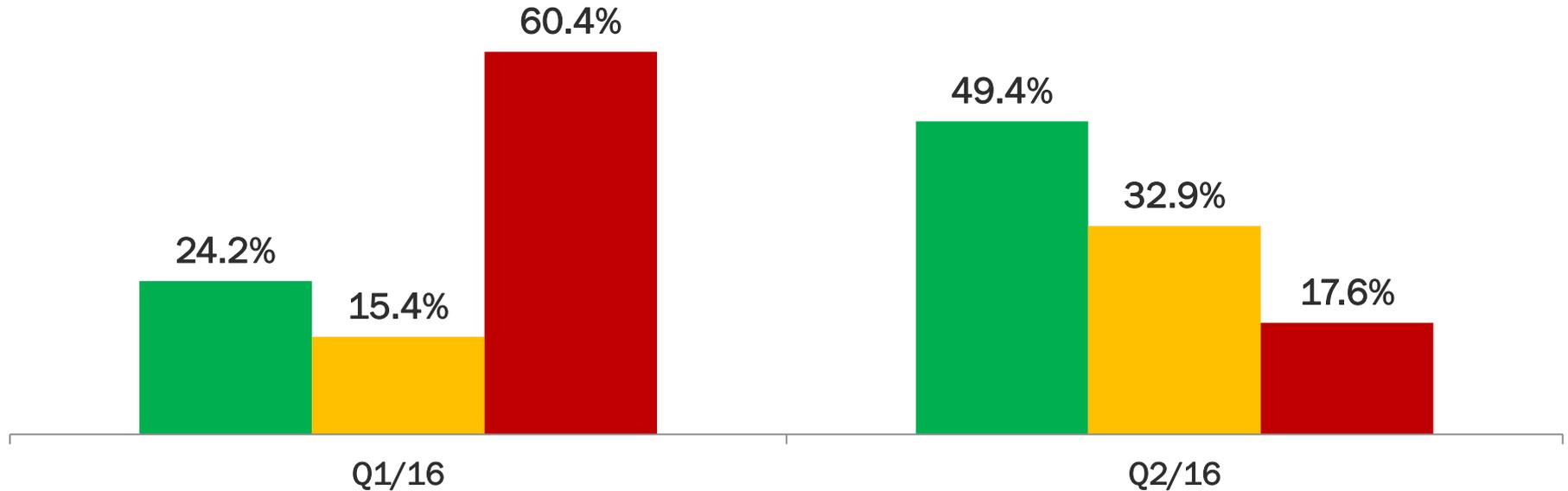


Source: International Energy Agency

\* Demand is 3-month average, supply is May estimate

Compared to the prior quarter, has your firm's business activity increased, not changed or decreased?

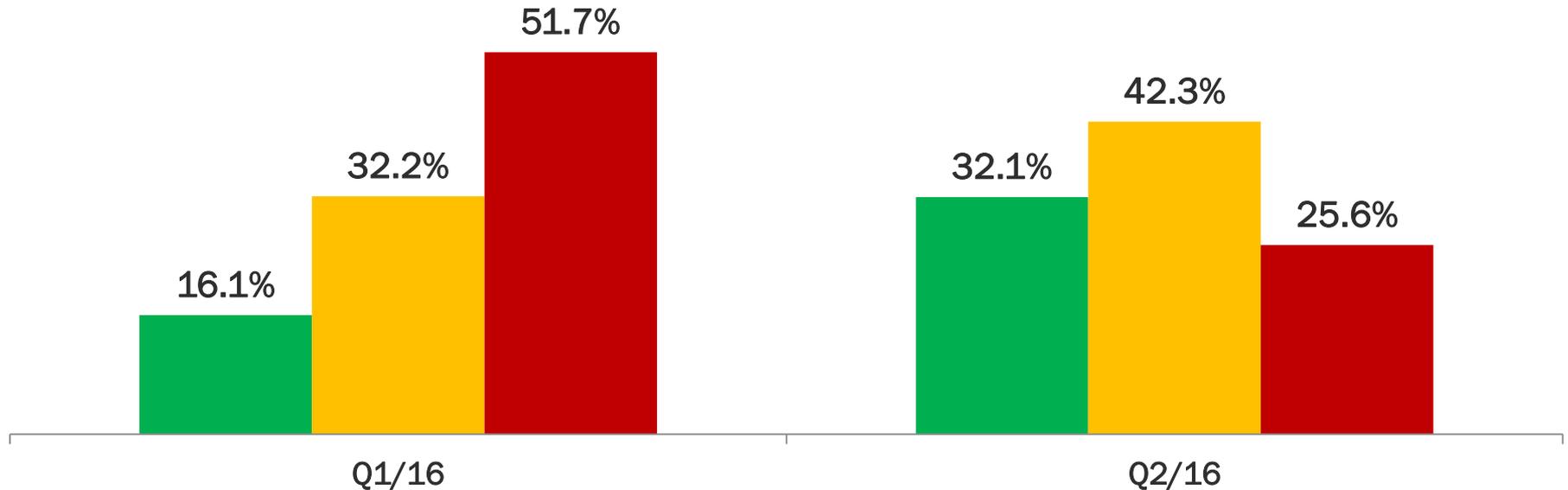
■ Increased ■ Not Changed ■ Decreased



Source: Federal Reserve Bank of Dallas Energy Survey

Compared to the prior quarter, has your firm's outlook improved, not changed, or worsened

■ Improved ■ Not Changed ■ Worsened



Source: Federal Reserve Bank of Dallas Energy Survey

# The Outlook

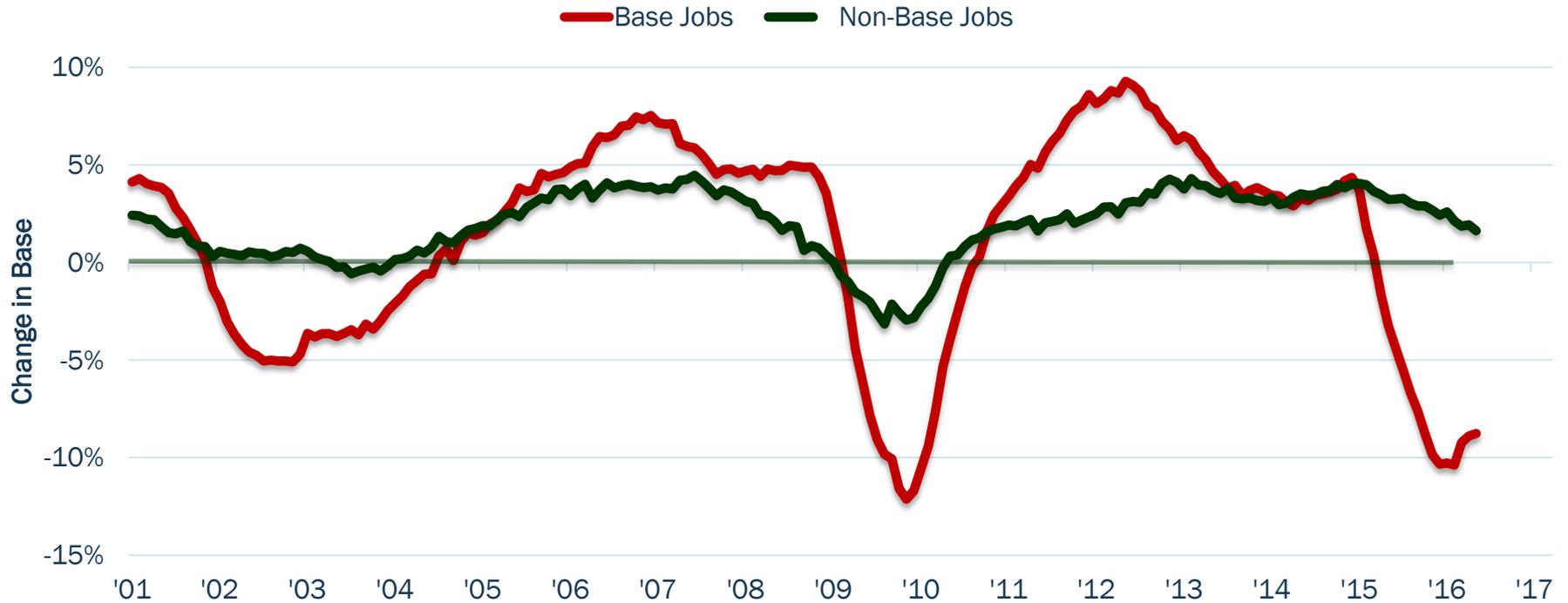


# 12-Month Employment Change



Source: Greater Houston Partnership calculations based on Texas Workforce Commission data

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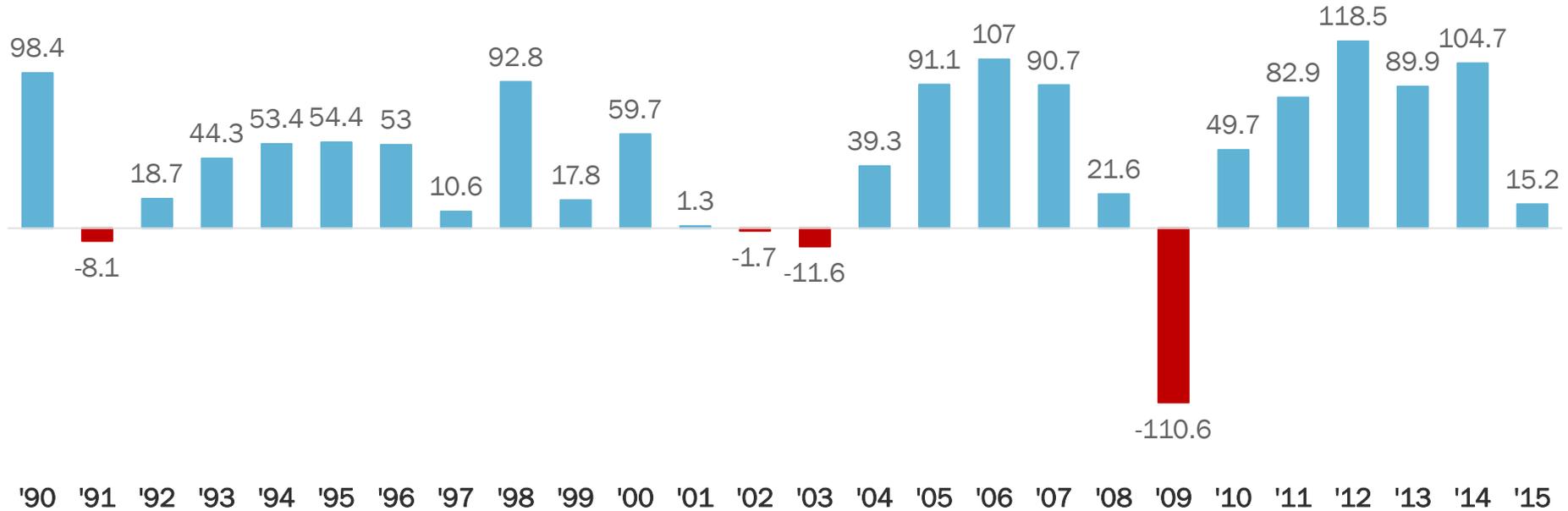
Source: Greater Houston Partnership calculations based on Texas Workforce Commission data

Rig Trough	Job Trough	Job Trough Lag (Months)
May '91	Dec '91	7
Nov '02	Jun '03	8
Jun '09	Dec '09	6
May '16*		

\* Maybe

# Historic Job Growth

December to December, (000s)



Source: Texas Workforce Commission

# Houston Economy Update

Patrick Jankowski



GREATER HOUSTON  
**PARTNERSHIP.**

Making Houston Greater.

## UpSkill Houston

- ▶ Collective action to build a quality workforce and **talent pipeline**
  - ▶ Key Industry sectors
    - ▶ Construction, Health Care, Petrochem, Maritime, Oil & Gas, Advanced Manufacturing, Utilities
  - ▶ Demand Driven—to meet the needs of employers
  - ▶ Supply Quality—to help residents become aware of and obtain good-paying jobs

# Business Leadership and Partnership

- ▶ Sector Leadership
  - ▶ Mike Holland (Marek)
  - ▶ JD Slaughter (S&B)
  - ▶ Scott Marshall (Jacobs)
  - ▶ Laura Bellows (Bellows)
  - ▶ Steve Mechler (Balfour Beatty)
  
- ▶ Talent Pipeline Partners
  - ▶ ABC Industrial Committee
  - ▶ AGC and C3
  - ▶ Education Partners
  - ▶ Community Partners
  - ▶ Facility Owners



**CONSTRUCT**HOUSTON

## UpSkill Houston

- ▶ 2020 UpSkill Houston Goal:
  - ▶ ATTRACT, TRAIN and PLACE at least 25,000 qualified and skilled workers into the priority careers and jobs in the seven sectors most critical to Houston's economy.
  - ▶ <https://www.houston.org/upskillhouston/>